

H - Health and Family Services Cabinet

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CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services Cabinet

Operating Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	26,423,400	26,423,400	26,423,400	27,028,400	27,028,400	27,028,400
General Fund	1,450,700,300	1,450,700,300	1,450,700,300	1,551,149,300	1,551,039,300	1,551,139,300
Restricted Funds	873,592,500	873,592,500	873,592,500	781,864,200	781,864,200	781,864,200
Federal Funds	3,867,637,800	3,867,637,800	3,867,637,800	3,753,002,800	3,753,002,800	3,753,002,800
Regular Total Funds	6,218,354,000	6,218,354,000	6,218,354,000	6,113,044,700	6,112,934,700	6,113,034,700
Continuing	4,821,500	4,821,500	4,821,500			
TOTAL FUNDS	6,223,175,500	6,223,175,500	6,223,175,500	6,113,044,700	6,112,934,700	6,113,034,700

II. EXPENDITURE CATEGORY

Personnel Costs	564,026,600	564,026,600	564,026,600	561,630,200	561,630,200	561,630,200
Operating Expenses	126,944,500	126,944,500	126,944,500	139,763,400	139,601,400	139,601,400
Grants, Loans, Benefits	5,531,557,500	5,531,557,500	5,531,557,500	5,410,485,800	5,410,535,800	5,410,635,800
Debt Service				907,000	909,000	909,000
Capital Outlay	646,900	646,900	646,900	258,300	258,300	258,300
TOTAL EXPENDITURES	6,223,175,500	6,223,175,500	6,223,175,500	6,113,044,700	6,112,934,700	6,113,034,700

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund (Tobacco)	26,423,400	26,423,400	26,423,400	27,028,400	27,028,400	27,028,400
General Fund	1,450,700,300	1,450,700,300	1,450,700,300	1,543,487,300	1,543,489,300	1,543,489,300
Restricted Funds	873,592,500	873,592,500	873,592,500	780,814,200	780,814,200	780,814,200
Federal Funds	3,867,637,800	3,867,637,800	3,867,637,800	3,751,651,000	3,751,651,000	3,751,651,000
Regular Total Funds	6,218,354,000	6,218,354,000	6,218,354,000	6,102,980,900	6,102,982,900	6,102,982,900
Continuing	4,821,500	4,821,500	4,821,500			
TOTAL BASE LEVEL	6,223,175,500	6,223,175,500	6,223,175,500	6,102,980,900	6,102,982,900	6,102,982,900

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund				7,662,000	7,550,000	7,650,000
Restricted Funds				1,050,000	1,050,000	1,050,000
Federal Funds				1,351,800	1,351,800	1,351,800
TOTAL ADDITIONAL				10,063,800	9,951,800	10,051,800

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CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services Cabinet

Capital Budget

Summary Totals

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund (Tobacco)	660,000	660,000	660,000			
General Fund	1,000,000	1,000,000	1,000,000	6,000,000	6,000,000	6,000,000
Federal Funds	8,687,000	8,687,000	8,687,000	10,000,000	10,000,000	10,000,000
Bond Funds	14,427,000	14,427,000	14,427,000			
Capital Construction Sur	1,090,000	1,090,000	1,090,000			
Investment Income	2,350,000	2,100,000	2,100,000	1,500,000		
TOTAL CAPITAL	28,214,000	27,964,000	27,964,000	17,500,000	16,000,000	16,000,000

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H - Health and Family Services Cabinet**Operating Budget****General Administration and Program Support**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	35,609,200	35,609,200	35,609,200	35,524,200	35,363,200	35,363,200
Restricted Funds	10,653,300	10,653,300	10,653,300	10,163,800	10,163,800	10,163,800
Federal Funds	41,676,900	41,676,900	41,676,900	42,606,500	42,606,500	42,606,500
Regular Total Funds	87,939,400	87,939,400	87,939,400	88,294,500	88,133,500	88,133,500
Continuing						
TOTAL FUNDS	87,939,400	87,939,400	87,939,400	88,294,500	88,133,500	88,133,500

II. EXPENDITURE CATEGORY

Personnel Costs	49,361,800	49,361,800	49,361,800	44,897,100	44,897,100	44,897,100
Operating Expenses	36,610,900	36,610,900	36,610,900	41,533,100	41,371,100	41,371,100
Grants, Loans, Benefits	1,946,200	1,946,200	1,946,200	1,478,500	1,478,500	1,478,500
Debt Service				353,000	354,000	354,000
Capital Outlay	20,500	20,500	20,500	32,800	32,800	32,800
TOTAL EXPENDITURES	87,939,400	87,939,400	87,939,400	88,294,500	88,133,500	88,133,500

III. BASE LEVEL BUDGET BY FUND SOURCE

General Fund	35,609,200	35,609,200	35,609,200	35,362,200	35,363,200	35,363,200
Restricted Funds	10,653,300	10,653,300	10,653,300	10,163,800	10,163,800	10,163,800
Federal Funds	41,676,900	41,676,900	41,676,900	42,606,500	42,606,500	42,606,500
Regular Total Funds	87,939,400	87,939,400	87,939,400	88,132,500	88,133,500	88,133,500
Continuing						
TOTAL BASE LEVEL	87,939,400	87,939,400	87,939,400	88,132,500	88,133,500	88,133,500

IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE

General Fund	162,000
TOTAL ADDITIONAL	162,000

V. ADDITIONAL BUDGET ITEMS**1 NEW Breast Cancer Research and Education Trust Fund**

ABRHFS0002 A trust fund set up for breast cancer research, education and treatment.

General Fund	100,000
Project Total	100,000

2 NEW KY Health Care Infrastructure Authority

ABRHFS0003 Provide admin support for the KY e-Health Network Board

General Fund	62,000
Project Total	62,000

H - Health and Family Services Cabinet

Operating Budget

General Administration and Program Support

Fiscal Year 2004-2005			Fiscal Year 2005-2006		
House	Senate	Conference	House	Senate	Conference
			162,000		

TOTAL ADDITIONAL

**Fiscal Biennium 2004-2006
Budget Modification Report**

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General Administration and Program Support

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Fund Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from General Administration and Program Support of \$169,100 (KRS 212.025(2)) in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provision that direct:

"Maximizing Federal Funds: Pursuant to compliance with the State/Executive Budget Bill and the Statutory Budget Memorandum, the Health and Family Services Cabinet shall maximize Federal Funds for programs within the Cabinet."

"Human Services Transportation Delivery: Notwithstanding KRS 281.014, the Kentucky Works Program shall not participate in the Human Services Transportation Delivery Program or the Coordinated Transportation Advisory Committee effective July 1, 2002."

"Debt Service: Included in the above General Fund appropriation is \$353,000 in fiscal year 2005-2006 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House provides additional funding as reflected in Part V, Additional Budget items, of this report.

**Fiscal Biennium 2004-2006
Budget Modification Report**

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General Administration and Program Support

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

"Federally Funded Positions: Notwithstanding KRS 18A.010(2) and any provisions of this Act to the contrary, direct service units of the Office of Inspector General, Office of Aging Services, Department for Disability Determination, Department for Community Based Services, Department for Medicaid Services, Department for Mental Health/Mental Retardation Services, and the Department for Public Health shall be authorized to establish and fill such additional positions as are 100 percent federally funded for salary and fringe benefits."

"Breast Cancer Research and Education Trust Fund Board: The Breast Cancer Research and Education Trust Fund Board is hereby created for the purpose of administering the Breast Cancer Research and Education Trust Fund to support breast cancer research, education, treatment, screening and awareness in Kentucky. The board shall be composed of nine (9) members as follows:

- (a) The director of the University of Louisville Brown Cancer Center or the director's appointed designee;
- (b) The director of the University of Kentucky Markey Cancer Center or the director's appointed designee;
- (c) The president of the Kentucky Breast Cancer Alliance or the president's appointed designee;
- (d) The director of the Kentucky Cancer Program East or the director's appointed designee;
- (e) The director of the Kentucky Cancer Program West or the director's appointed designee;
- (f) Two (2) citizens, one (1) of whom shall be a breast cancer survivor, to be appointed by the Governor;
- (g) The secretary of the Cabinet for Health Services, or the secretary's designee; and
- (h) The commissioner of the Department for Public Health or the commissioner's designee.

The board shall be attached to the Cabinet for Health Services for administrative purposes and included in the above appropriation is \$100,000 in Fiscal Year 2005-2006 to be allocated to the Breast Cancer Research and Education Trust Fund."

"Kentucky Health Care Infrastructure Authority: Included in the above General Fund appropriation is \$62,000 for fiscal year 2005-2006 for the administrative support cost of the Kentucky e-Health Network Board."

SENATE REPORT

The Senate concurs with the House with the following changes:

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**Fiscal Biennium 2004-2006
Budget Modification Report**

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General Administration and Program Support

"Debt Service: Included in the above General Fund appropriation is \$354,000 in fiscal year 2005-2006 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The Senate deletes language and funding in Part I, Operating Budget pertaining to the **"Breast Cancer Research and Education Trust Fund Board "** and the **"Kentucky Health Care Infrastructure Authority"**.

CONFERENCE REPORT

The Conference concurs with the Senate.

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H - Health and Family Services Cabinet**Capital Budget****General Administration and Program Support**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund	1,000,000	1,000,000	1,000,000	6,000,000	6,000,000	6,000,000
Federal Funds	8,687,000	8,687,000	8,687,000	10,000,000	10,000,000	10,000,000
Bond Funds	5,027,000	5,027,000	5,027,000			
Capital Construction Sur	1,090,000	1,090,000	1,090,000			
TOTAL CAPITAL	15,804,000	15,804,000	15,804,000	16,000,000	16,000,000	16,000,000
II. CAPITAL PROJECTS						
1 TWIST Computer System Re-write						
PRJHFS1099						
Federal Funds	1,188,000	1,188,000	1,188,000			
Bond Funds	2,205,000	2,205,000	2,205,000			
Project Total	3,393,000	3,393,000	3,393,000			
2 Computer Servers Upgrade Phase I						
PRJHFS1101						
Federal Funds	500,000	500,000	500,000			
Capital Construction Sur	500,000	500,000	500,000			
Project Total	1,000,000	1,000,000	1,000,000			
3 Network Infrastructure Upgrade						
PRJHFS1102						
Federal Funds	972,000	972,000	972,000			
Bond Funds	782,000	782,000	782,000			
Capital Construction Sur	190,000	190,000	190,000			
Project Total	1,944,000	1,944,000	1,944,000			
4 Kentucky Automated Support and Enforcement System (KASES) Child Support Computer System Replacement						
PRJHFS1103						
Federal Funds	3,960,000	3,960,000	3,960,000			
Bond Funds	2,040,000	2,040,000	2,040,000			
Project Total	6,000,000	6,000,000	6,000,000			
5 Kentucky Automated Management and Eligibility System (KAMES) Computer System Replacements						
PRJHFS1104						
General Fund	1,000,000	1,000,000	1,000,000	6,000,000	6,000,000	6,000,000
Federal Funds	1,667,000	1,667,000	1,667,000	10,000,000	10,000,000	10,000,000
Project Total	2,667,000	2,667,000	2,667,000	16,000,000	16,000,000	16,000,000

H - Health and Family Services Cabinet**Capital Budget****General Administration and Program Support**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
6	Lease - Boone County						
PRJHFS1106							
General Fund							
Project Total							
7	Lease - Boyd County						
PRJHFS1107							
General Fund							
Project Total							
8	Lease Campbell County						
PRJHFS1108							
General Fund							
Project Total							
9	Lease - Fayette County #1						
PRJHFS1109							
General Fund							
Project Total							
10	Lease - Fayette County #2						
PRJHFS1110							
General Fund							
Project Total							
11	Lease - Franklin County						
PRJHFS1111							
General Fund							
Project Total							
12	Lease - Franklin County #2						
PRJHFS1112							
General Fund							
Project Total							
13	Lease - Hardin County						
PRJHFS1113							
General Fund							
Project Total							

H - Health and Family Services Cabinet**Capital Budget****General Administration and Program Support**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
14	Lease - Harlan County						
PRJHFS1114							
General Fund							
Project Total							
15	Lease - Henderson County						
PRJHFS1115							
General Fund							
Project Total							
16	Lease - Jefferson County						
PRJHFS1116							
General Fund							
Project Total							
17	Lease - Johnson County						
PRJHFS1117							
General Fund							
Project Total							
18	Lease - Kenton County #1						
PRJHFS1118							
General Fund							
Project Total							
19	Lease - Kenton County #2						
PRJHFS1119							
General Fund							
Project Total							
20	Lease - Office of Technology Services - Franklin County #1						
PRJHFS1120							
General Fund							
Project Total							
21	Lease - Perry County						
PRJHFS1121							
General Fund							
Project Total							

CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services Cabinet

Capital Budget

General Administration and Program Support

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
22	Lease - Shelby County						
PRJHFS1122							
General Fund							
Project Total							
23	Lease - Warren County						
PRJHFS1123							
General Fund							
Project Total							
25	Telecommunications Upgrade - Various Facilities						
PRJHFS1130							
Federal Funds		400,000	400,000	400,000			
Capital Construction Sur		400,000	400,000	400,000			
Project Total		800,000	800,000	800,000			
TOTAL CAPITAL		15,804,000	15,804,000	15,804,000	16,000,000	16,000,000	16,000,000

H - Health and Family Services Cabinet**Operating Budget****Commission for Children with Special Health Care Needs**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	455,000	455,000	455,000	455,000	455,000	455,000
General Fund	5,490,500	5,490,500	5,490,500	5,490,500	5,490,500	5,490,500
Restricted Funds	4,640,000	4,640,000	4,640,000	4,666,000	4,666,000	4,666,000
Federal Funds	4,613,000	4,613,000	4,613,000	4,587,000	4,587,000	4,587,000
Regular Total Funds	15,198,500	15,198,500	15,198,500	15,198,500	15,198,500	15,198,500
Continuing	43,900	43,900	43,900			
TOTAL FUNDS	15,242,400	15,242,400	15,242,400	15,198,500	15,198,500	15,198,500
II. EXPENDITURE CATEGORY						
Personnel Costs	9,139,900	9,139,900	9,139,900	9,412,700	9,412,700	9,412,700
Operating Expenses	1,586,800	1,586,800	1,586,800	1,584,700	1,584,700	1,584,700
Grants, Loans, Benefits	4,484,100	4,484,100	4,484,100	4,201,100	4,201,100	4,201,100
Capital Outlay	31,600	31,600	31,600			
TOTAL EXPENDITURES	15,242,400	15,242,400	15,242,400	15,198,500	15,198,500	15,198,500
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	455,000	455,000	455,000	455,000	455,000	455,000
General Fund	5,490,500	5,490,500	5,490,500	5,490,500	5,490,500	5,490,500
Restricted Funds	4,640,000	4,640,000	4,640,000	4,666,000	4,666,000	4,666,000
Federal Funds	4,613,000	4,613,000	4,613,000	4,587,000	4,587,000	4,587,000
Regular Total Funds	15,198,500	15,198,500	15,198,500	15,198,500	15,198,500	15,198,500
Continuing	43,900	43,900	43,900			
TOTAL BASE LEVEL	15,242,400	15,242,400	15,242,400	15,198,500	15,198,500	15,198,500

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Commission for Children with Special Health Care Needs

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Fund Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from the Commission for Children with Special Health Care needs of \$446,000 General Fund (KRS 212.025(2)) and \$43,900 Tobacco Fund (KRS 200.151) in fiscal year 2004-2005.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provision that direct:

"Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$450,000 in each fiscal year for universal Newborn Hearing Screening and \$5,000 in each fiscal year for Vision Screening."

"Lapse of General Fund (Tobacco) Appropriation Balance: Notwithstanding KRS 200.151, \$43,900 of the General Fund (Tobacco) continuing appropriation shall lapse at the end of fiscal year 2004-2005 to the credit of the General Fund."

The State/ Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes language provisions that direct:

"Universal Newborn Hearing Screening and Vision Screening: Included in the above General Fund (Tobacco) appropriation is \$450,000 in each fiscal year for Universal Newborn Hearing Screening and \$5,000 in each fiscal year for Vision Screening."

HOUSE REPORT

The House concurs with the Bill as Introduced.

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Commission for Children with Special Health Care Needs

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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Operating Budget

Medicaid Services - Administration

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	17,067,000	17,067,000	17,067,000	17,067,000	17,067,000	17,067,000
Restricted Funds	18,306,000	18,306,000	18,306,000	18,306,000	18,306,000	18,306,000
Federal Funds	40,975,600	40,975,600	40,975,600	40,975,600	40,975,600	40,975,600
Regular Total Funds	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600
Continuing						
TOTAL FUNDS	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600
II. EXPENDITURE CATEGORY						
Personnel Costs	58,503,300	58,503,300	58,503,300	58,503,300	58,503,300	58,503,300
Operating Expenses	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400	1,934,400
Grants, Loans, Benefits	15,910,900	15,910,900	15,910,900	15,910,900	15,910,900	15,910,900
TOTAL EXPENDITURES	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	17,067,000	17,067,000	17,067,000	17,067,000	17,067,000	17,067,000
Restricted Funds	18,306,000	18,306,000	18,306,000	18,306,000	18,306,000	18,306,000
Federal Funds	40,975,600	40,975,600	40,975,600	40,975,600	40,975,600	40,975,600
Regular Total Funds	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600
Continuing						
TOTAL BASE LEVEL	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600	76,348,600

**Fiscal Biennium 2004-2006
Budget Modification Report**

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Medicaid Administration

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The Bill As Introduced, Part I, Operating Budget, includes funding totaling \$36,229,000 each fiscal year to support the Medicaid eligibility determination contract with Community Based Services and \$1 million each fiscal year for Kentucky Children's Health Insurance Program (KCHIP) eligibility determinations.

The Bill As Introduced, Part I, Operating Budget, includes language provision that direct:

"Transfer of Excess Administrative Funds for Medicaid Benefits: If any portion of the General Fund appropriation in either fiscal year is deemed to be in excess of the necessary expenses for administration of the Department, the amount may be used for Medicaid Benefits, in accordance with statutes governing the functions and activities of the Department for Medicaid Services. In no instance shall these excess funds be used without prior written approval of the State Budget Director to:

- (a) Establish a new program;
- (b) Expand the services of an existing program; or
- (c) Increase rates or payment levels in an existing program.

Any transfer authorized under this section shall be approved by the Secretary of the Finance and Administration Cabinet upon recommendation of the State Budget Director."

"Medicaid Service Category Expenditure Information: No Medicaid managed care contract shall be valid, and no payment to a Medicaid managed care vendor by the Finance and Administration Cabinet or the Health and Family Services Cabinet shall be made, until the Medicaid managed care contract contains a provision that the contractor shall collect Medicaid expenditure data by the categories of services paid for by the Medicaid Program. Actual statewide Medicaid expenditure data by all categories of Medicaid services, including mandated and optional Medicaid services, special expenditures/offsets, and Disproportionate Share Hospital

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payments by type of hospital, shall be compiled by the Department for Medicaid Services for all Medicaid providers and forwarded to the Interim Joint Committee on Appropriations and Revenue on a quarterly basis. Projections of Medicaid expenditures by categories of Medicaid services shall be provided to the Interim Joint Committee on Appropriations and Revenue upon request."

HOUSE REPORT

The House concurs with the Bill As Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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H - Health and Family Services Cabinet**Operating Budget****Medicaid Services - Benefits**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	855,365,500	855,365,500	855,365,500	925,395,500	925,395,500	925,395,500
Restricted Funds	448,200,000	448,200,000	448,200,000	376,760,000	376,760,000	376,760,000
Federal Funds	3,030,734,700	3,030,734,700	3,030,734,700	2,903,675,100	2,903,675,100	2,903,675,100
Regular Total Funds	4,334,300,200	4,334,300,200	4,334,300,200	4,205,830,600	4,205,830,600	4,205,830,600
Continuing						
TOTAL FUNDS	4,334,300,200	4,334,300,200	4,334,300,200	4,205,830,600	4,205,830,600	4,205,830,600
II. EXPENDITURE CATEGORY						
Grants, Loans, Benefits	4,334,300,200	4,334,300,200	4,334,300,200	4,205,830,600	4,205,830,600	4,205,830,600
TOTAL EXPENDITURES	4,334,300,200	4,334,300,200	4,334,300,200	4,205,830,600	4,205,830,600	4,205,830,600
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	855,365,500	855,365,500	855,365,500	925,395,500	925,395,500	925,395,500
Restricted Funds	448,200,000	448,200,000	448,200,000	376,160,000	376,160,000	376,160,000
Federal Funds	3,030,734,700	3,030,734,700	3,030,734,700	2,902,323,300	2,902,323,300	2,902,323,300
Regular Total Funds	4,334,300,200	4,334,300,200	4,334,300,200	4,203,878,800	4,203,878,800	4,203,878,800
Continuing						
TOTAL BASE LEVEL	4,334,300,200	4,334,300,200	4,334,300,200	4,203,878,800	4,203,878,800	4,203,878,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
Restricted Funds				600,000	600,000	600,000
Federal Funds				1,351,800	1,351,800	1,351,800
TOTAL ADDITIONAL				1,951,800	1,951,800	1,951,800
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Ambulance Fee Increase						
ABR7480009 Provide funds to support an increase in ambulance fees.						
Restricted Funds				600,000	600,000	600,000
Federal Funds				1,351,800	1,351,800	1,351,800
Project Total				1,951,800	1,951,800	1,951,800
TOTAL ADDITIONAL				1,951,800	1,951,800	1,951,800

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Medicaid Benefits

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

The State/Executive Branch Budget Bill, Part I, Operating Budget, provides additional base funding support, above the 2004 Governor's 2004-2006 Biennial Budget recommendation, totaling \$93,610,000 in General Fund, \$53,334,100 in Restricted Funds and \$336,491,400 in Federal Funds in fiscal year 2004-2005 and \$160,000,000 in General Fund, \$23,425,400 in Restricted Funds and \$415,016,500 in Federal Funds in fiscal year 2005-2006 to continue current services and support an increase in eligibles, utilization and medical inflation.

The Bill as Introduced recommends \$103,635,600 in fiscal year 2004-2005 and \$113,482,500 in fiscal year 2005-2006 for the Kentucky Children's Health Insurance Program (KCHIP), including \$21,550,100 in General Fund support, \$410,300 in Restricted Funds, and \$81,675,100 in Federal Funds in fiscal year 2004-2005, and \$21,550,100 in General Fund support, \$3,341,000 in Restricted Funds, and \$88,591,400 in Federal Funds in fiscal year 2005-2006. These funds are estimated to support 55,188 children in fiscal year 2004-2005 and 58,584 children in fiscal year 2005-2006.

A consensus group, consisting of the Health and Family Services Cabinet, Governor's Office for Policy and Management, and Governor's Office for Economic Analysis forecasted the Medicaid Benefits budgets based on an actuarial analysis of cost per eligible by type of eligible performed by Pricewaterhouse Coopers, LLP.

Current forecasts project total Medicaid Benefits costs will exceed recommended appropriations by \$270,900,000 in fiscal year 2004-2005 and \$530,500,000 in fiscal year 2005-2006. The Bill As Introduced assumes that executive, administrative, and legislative policy actions to resolve the budget shortfall, only within fiscal biennium 2004-2006, include the following:

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ACTIONS TO BALANCE:	FY 2004-05	FY 2005-06
Carryforward		2,300,000
Cash Management (pay claims within 30 days)	160,000,000	
Care and Disease Management	8,000,000	24,000,000
Recipient/Provider Management	5,000,000	25,000,000
Pharmacy Management	31,600,000	95,800,000
Physician Prescription Interventions and Hotline	2,000,000	6,000,000
Pharmacy Average Wholesale Price (AWP) - 12% to AWP-16%	8,600,000	26,000,000
Limit Long Term Care Repackaging Fee	500,000	1,500,000
Prescription Utilization - limit to 3 Name Brands Per Month; Unlimited Generics	51,500,000	90,000,000
90 Day Supply for Maintenance Drugs	6,000,000	18,000,000
Total Management Initiatives/Cost Avoidance	273,200,000	288,600,000
Projected Surplus(Deficit)	2,300,000	241,900,000
Portion State Funds	700,000	(74,200,000)

Figures as of 1/31/05 subject to revision based on cost trends, eligible growth and federal changes.

The Bill As Introduced, Part I, Operating Budget, includes language provisions that direct:

"Supports for Community Living Slots: Included in the above appropriation is \$1,000,000 in Restricted Funds and \$2,302,500 in Federal Funds in fiscal year 2004-2005 to support 75 additional Supports for Community Living slots and \$2,500,000 in General Fund support and \$5,723,700 in Federal Funds in fiscal year 2005-2006 to support 150 additional Supports for Community Living slots.

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Supports for Community Living Waiver funds shall be appropriated only for direct services to qualified Supports for Community Living Waiver recipients, and any unexpended funds shall not lapse but shall be carried forward to the next fiscal year for the same purpose."

"Acquired Brain Injury Waiver Program: Included in the above appropriation is \$272,500 in Restricted Funds and \$627,500 in Federal Funds in fiscal year 2004-2005 and \$304,000 in Restricted Funds and \$696,000 in Federal Funds in fiscal year 2005-2006 to support 25 additional individuals through the Acquired Brain Injury Waiver Program."

"Fraud and Abuse Recoveries by the Attorney General: Included in the above appropriation is \$5,000,000 in Restricted Funds and \$11,313,200 in Federal Funds in fiscal year 2005-2006 from enhanced recoveries from the Office of the Attorney General's Medicaid Fraud and Abuse Control Unit."

"Carry Forward of General Fund Appropriation Balance: Notwithstanding KRS 45.229, any General Fund appropriation unexpended in fiscal year 2004-2005 shall not lapse, but shall be carried forward into the next fiscal year."

"Disproportionate Share Hospital Program: Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall not exceed the maximum amounts established in the federal law."

"Hospital Indigent Patient Billing: Hospitals shall not bill patients for services where the services have been reported to the Cabinet and the hospital has received disproportionate share payments for the specific services."

"Provider Tax Information: Any provider who posts a sign or includes information on customer receipts or any material distributed for public consumption indicating that they have paid provider tax shall also post, in the same size typeset as the provider tax information, the amount of payment received from the Department for Medicaid Services during the same period the provider tax was paid. Providers who fail to meet this requirement shall be excluded from the Disproportionate Share Hospital and Medicaid Programs. The Health and Family Services Cabinet shall include this provision in facilities' annual licensure inspection."

"Quality and Charity Care Trust Fund: No hospital shall be reimbursed from both the Quality and Charity Care Trust Fund and the Disproportionate Share Hospital Program for the same service to the same patient. Any hospital that willfully violates this provision shall be subject to a penalty equal to three times the amount of the improper charge to the funds, which shall be credited to the General Fund. The Secretary of the Health and Family Services Cabinet shall have the authority to secure the patient information as needed from the participating facilities in order to determine compliance and enforce this provision. Each facility billing and receiving reimbursements from the Quality and Charity Care Trust Fund shall be required to identify each patient by Social Security number and

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indicate whether the patient is classified as indigent or medically needy. Notwithstanding any other provision of this Act or law, in any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement so agree, the General Fund appropriation to fulfill the Commonwealth's contractual obligation relating to the Quality and Charity Care Trust Agreement or any portion thereof, together with any other funds paid to the Quality and Charity Care Trust contractual obligation of the parties, or any portion thereof, shall be transferred to the Department for Medicaid Services as part of its Restricted Funds appropriation for Medicaid Benefits. In any fiscal year for which all the parties to the Quality and Charity Care Trust Agreement do not agree to transfer all or any portion of the Trust's revenues to the Department for Medicaid Services for Medicaid Benefits, the Quality and Charity Care Trust shall operate pursuant to its contractual provisions."

"Kentucky Children's Health Insurance Program (KCHIP): The Secretary of the Health and Family Services Cabinet may transfer funds from Medicaid Benefits to the KCHIP General Fund or Restricted Funds appropriations to be used to match the Federal allocation. These transfers may be made to cover both additional regular allocations and redistribution from the federal government. The Secretary shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Upon concurrence of the State Budget Director and prior to the transfer, the Secretary shall make the appropriate interim appropriation increase requests pursuant to KRS 48.630."

"Intergovernmental Transfers (IGT's): Any funds received through an IGT agreement between the Department for Medicaid Services and other governmental entities, in accordance with a federally approved State Plan amendment, shall be used to provide for the health and welfare of the citizens of the Commonwealth through the provision of Medicaid Benefits. This allocation shall include but not be limited to funds generated through transfer agreements with county-owned nursing homes, county-owned hospitals, state universities, and other governmental agencies. The Secretary of the Health and Family Services Cabinet shall recommend any proposed transfer to the State Budget Director for review and concurrence prior to transfer. Revenues from IGT's are contingent upon agreement by the parties and, when negotiated, the Secretary for Health and Family Services shall make the appropriate interim appropriations increase requests pursuant to KRS 48.630."

"Child Sexual Abuse Exams: The Department for Medicaid Services shall develop a reimbursement schedule to compensate participating health care providers for the full cost of providing child sexual abuse examinations for eligible children to the extent funds are available. The provisions of this section shall not mandate any services or payments that are not otherwise provided for in the Medicaid Benefits budget. The reimbursement schedule shall not be reduced under any Managed Care Agreement. The Department for Medicaid Services may require participating health care providers to meet specific training and experience requirements."

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"Medicaid Budget Analysis Reports: The Department for Medicaid Services shall submit a quarterly budget analysis report to the Interim Joint Committee on Appropriations and Revenue. The report shall provide monthly detail of actual expenditures, eligibles, and average monthly cost per eligible by eligibility category along with current trailing 12-month averages for each of these figures. The report shall also provide actual figures for all categories of noneligible-specific expenditures such as Supplemental Medical Insurance premiums, Kentucky Patient Access to Care, nonemergency transportation, drug rebates, cost settlements, and Disproportionate Share Hospital payments by type of hospital. The report shall compare the actual expenditure experience with those underlying the enacted or revised enacted budget and explain any significant variances which may occur."

"Medicaid Benefits Budget Deficit: In the event Medicaid Benefits expenditures are projected to exceed available funds, the Secretary of the Health and Family Services Cabinet shall be empowered to recommend that reimbursement rates, optional services, eligibles, or programs be reduced or maintained at levels existing at the time of the projected deficit in order to avoid a budget deficit. The projected deficit shall be confirmed by the Office of State Budget Director. No service, eligible, or program reductions shall be implemented by the Health and Family Services Cabinet without written notice of such action to the Interim Joint Committee on Appropriations and Revenue and the State Budget Director. Such actions taken by the Health and Family Services Cabinet shall be reported, upon request, at the next meeting of the Interim Joint Committee on Appropriations and Revenue."

"Medicaid Benefits Budget Surplus: In the event Medicaid Benefits expenditures are less than available funds, the Secretary of the Health and Family Services Cabinet may recommend the utilization of available funds to increase reimbursement rates, expand the Medicaid Program or the number of eligibles, or transfer General Fund money up to the amount of the excess Restricted Funds to other agencies within the Cabinet to be utilized for direct services to eligibles or clients. No reimbursement rate, service, eligible, or program shall be increased without written approval of the State Budget Director and a report to the Interim Joint Committee on Appropriations and Revenue."

"Transfer of Medicaid Benefits Funds for Medicaid Modernization: Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid Modernization initiative may be transferred from Medicaid Benefits in accordance with statutes governing the functions and activities of the Department of Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. Such action shall be reported by the Health and Family Services Cabinet to the Interim Joint Committee on Appropriations and Revenue."

"Critical Access Hospitals: Notwithstanding 2004 Ky. Acts, ch. 56, sec. 2, through June 30, 2006, no acute care hospital shall convert to a critical access hospital unless the hospital has either received funding for a feasibility study from the Kentucky State

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Office of Rural Health or filed a written request by January 1, 2006, with the Kentucky State Office of Rural Health requesting funding for conducting a feasibility study."

"Medicaid Copayments: Notwithstanding KRS 205.6312, the Department for Medicaid Services may impose copayments for services rendered to Medicaid recipients not to exceed the amounts permitted by federal authority."

The following assumptions are reflected in the Bill As Introduced in continuation projections:

Blended federal match rates for Medicaid Benefits are projected to be: 69.60% for fiscal year 2004-2005 and 69.26% for fiscal year 2005-2006. Blended Federal Match rates for KCHIP are projected to be: 78.72% in fiscal year 2004-2005 and 78.48% in fiscal year 2005-2006.

Medicaid eligibles (Per Month – excludes KCHIP):

Actual-575,230 in fiscal year 2001-2002 and 603,267 in fiscal year 2002-2003; 622,318 in fiscal year 2003-2004;

Projected – 658,854 in fiscal year 2004-2005 and 681,925 in fiscal year 2005-2006.

KCHIP eligibles (Per Month):

Actual-51,514 in fiscal year 2001-2002 and 50,825 in fiscal year 2002-2003; 49,948 in fiscal year 2003-2004;

Projected – 50,000 in fiscal year 2004-2005 and 50,000 in fiscal year 2005-2006.

Total Medicaid Eligibles (Per Month – Medicaid and KCHIP combined):

Actual-626,744 in fiscal year 2001-2002 and 654,092 in fiscal year 2002-2003; 672,266 in fiscal year 2003-2004;

Projected – 708,854 in fiscal year 2004-2005 and 731,925 in fiscal year 2005-2006.

Provider tax collections are projected to total \$248.2 million in fiscal year 2004-2005 and \$239.1 million in fiscal year 2005-2006.

Receipts/State Match from Intergovernmental Transfers are projected to total \$113,308,600 in fiscal year 2004-2005 and \$71,952,900 in fiscal year 2005-2006.

Enhanced Attorney General collections are projected to total \$5,000,000 in fiscal year 2005-2006.

Disproportionate Share Hospital (DSH) payments are capped according to the 1997 Federal Balanced Budget Act, as amended by the Benefits Improvement and Protection Act of 2000 and the Medicare Modernization Act of 2003. Kentucky's federal DSH ceiling is

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\$195,233,300 in both fiscal years. Included in Kentucky's DSH cap are psychiatric DSH caps for state mental hospitals which are approximately \$34.6 million in each fiscal year. State Teaching Hospital Enhanced DSH payments for the University of Kentucky (UK) and University of Louisville (U of L) Hospitals totaled \$72.3 million in fiscal year 2003-2004. UK and U of L DSH payments are projected to total \$72.6 million in fiscal year 2004-2005.

The Bill As Introduced assumes that the Region 3 (Louisville) Medicaid Partnership will continue to operate. Other areas of the state are expected to operate under the Kentucky Patient Access to Care (KenPAC) Program.

HOUSE REPORT

The House concurs with the Bill As Introduced with the following changes:

The House increases Restricted Funds (Provider Tax) projections by \$1,860,000 in fiscal year 2005-2006, and redirects General Fund support totaling \$1,860,000 to the Department for Community Based Services to partially fund an increase in Personal Care Home State Supplementation payments.

The House transfers \$300,000 in Restricted Funds from the Emergency Medical Services Board to be matched with \$300,000 in Restricted Funds from the Medicaid Benefits base budget to draw an additional \$1,351,800 in Federal Funds to increase Medicaid ambulance fees.

The House decreases Federal Funds in fiscal year 2005-2006 to reflect reduced federal receipts due to dual eligible pharmacy expenditures transferring to Medicare pursuant to the Medicare Modernization Act.

The House revises Part I, Operating Budget, language provisions as follows:

"Disproportionate Share Hospital Program: Hospitals shall report indigent inpatient and outpatient care for which, under federal law, the hospital is eligible to receive disproportionate share payments. Disproportionate Share Hospital payments shall equal the maximum amounts allowed by federal law."

"Transfer of Medicaid Benefits Funds for Medicaid Modernization: Any portion of the General Fund appropriation in either fiscal year that is deemed to be necessary for the administration of the Medicaid Modernization initiative may be transferred from Medicaid Benefits in accordance with statutes governing the functions and activities of the Department of Medicaid Services. The Secretary shall recommend any proposed transfer to the State Budget Director for approval prior to transfer. In addition, the Secretary shall make the appropriate interim appropriations increase requests to the Interim Joint Committee on Appropriations and Revenue through the interim increases process pursuant to KRS 48.630."

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The House adds Part I, Operating Budget, language provisions as follows:

"Hospital Provider Tax and Enhanced Payments: Notwithstanding KRS 142.303, hospital provider tax collections for fiscal year 2004-2005 shall be \$150,000,000. If the aggregate tax collected from all hospitals in fiscal year 2004-2005 is less than \$150,000,000, each hospital shall pay an additional provider tax in an amount equal to its pro rata share of the difference, based on its taxes paid in relation to total hospital taxes paid in the prior fiscal year. If the hospital provider tax paid in fiscal year 2004-2005 is greater than \$150,000,000, the funds shall be carried forward to be matched with Federal Funds and incorporated into the hospital Diagnostic Related Grouping (DRG) reimbursement methodology for fiscal year 2005-2006 for non-university based hospitals. Hospital provider tax collections for fiscal year 2005-2006 shall be \$150,000,000. If the aggregate tax collected from all hospitals in fiscal year 2005-2006 is less than \$150,000,000, each hospital shall pay an additional provider tax in an amount equal to its pro rata share of the difference, based on its taxes paid in relation to total hospital taxes in the prior fiscal year.

Notwithstanding KRS 205.640 and any other provisions of the Kentucky Revised Statutes to the contrary, any hospital provider tax collections under KRS 142.303 in excess of \$150,000,000 during fiscal years 2004-2005 and 2005-2006 shall be deposited into the "Hospital Payment Improvement Trust Fund," which is hereby created in the State Treasury as a trust and agency account, and shall be matched with federal funds for the sole use of increasing reimbursement to Kentucky hospitals, including those paid under managed care arrangements, in proportion to their Medicaid allowable costs incurred for providing care to Medicaid patients that are not otherwise paid through Medicaid rates to the extent permitted by federal law. The Hospital Payment Improvement Trust Fund shall be exempt from any state budget reduction acts, and all funds deposited in and credited to the Hospital Payment Improvement Trust Fund shall be paid to qualifying hospitals."

"Medicaid Supplement: Notwithstanding KRS 311A.145, a total of \$300,000 in Restricted Funds from fiscal year 2004-2005 Emergency Medical Services Board collections shall be transferred to Medicaid Benefits in fiscal year 2005-2006 in order to increase the amount of Federal Funds able to be matched to increase Medicaid ambulance fees. The Secretary shall report to the Interim Joint Committee on Appropriations and Revenue by October 1st of each fiscal year that the funds have been utilized to increase Medicaid ambulance fees, and shall continue to be utilized in this manner."

"Smoking Cessation Program for Pregnant Women: The Department for Medicaid Services, through the Kentucky Medicaid Administrative Agent and in coordination with the Department for Public Health, shall ensure that services for smoking cessation shall be made available to pregnant women participating in the Medicaid program."

"Quarterly Cost Containment Reporting: The Health and Family Services Cabinet shall submit a quarterly report to the Interim Joint Committee on Appropriations and Revenue on cost containment initiatives implemented to reduce costs in the Medicaid program

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Medicaid Benefits

including the actual experience compared to projected savings for each initiative. In addition, this report shall include any anticipated initiatives to be implemented to reduce Medicaid costs, including a projection for savings from each initiative and implementation date. If applicable, the report shall also include a list of anticipated Medicaid program expansions, including projected costs and implementation dates."

"Medical Child Support Enforcement: In collaboration with the Department for Community Based Services, the Department for Medicaid Services may implement a pilot program to address the pursuit of funds expended as a result of unenforced medical child support orders. An amount included in the above appropriation not to exceed \$125,000 in Restricted Funds and \$125,000 in Federal Funds in each fiscal year may be used from Medicaid Benefits in order to provide monetary resources to the county attorneys involved in the pilot program. This project may include a select number of counties which shall be selected based on criteria to be developed by the Department for Medicaid Services and the Department for Community Based Services, and at a minimum shall include an analysis showing that the anticipated return on investment exceeds the cost associated with the pilot program."

"Regional Community Mental Health and Mental Retardation Services, Psychiatric Residential Treatment Facilities, Medicaid Managed Care Organization Services Provider Tax and Enhanced Payments: A tax shall be imposed on regional community mental health and mental retardation services, psychiatric residential treatment facility services and Medicaid managed care organization services at a uniform rate of five and one-half percent on gross revenues received by each provider after July 1, 2005.

The Department for Medicaid Services shall promulgate administrative regulations to ensure that a portion of the revenues generated from the assessment levied under this section and federal matching funds shall be used for rate increases to recognize cost increases, including current wage and benefit levels in the industry. The remaining revenue generated from the assessment levied under this section and federal matching funds shall be used to supplement the medical-assistance-related General Fund appropriations of the Department for Medicaid Services.

On or before July 1, 2005, the Cabinet for Health Services, Department for Medicaid Services, shall submit an application to the Centers for Medicare and Medicaid Services to request any necessary waiver pursuant to 42 C.F.R. secs. 433.56 and 433.68.

If an application to the Centers for Medicare and Medicaid Services for a waiver is denied, the Department for Medicaid Services may resubmit the application with appropriate changes to receive an approved waiver.

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The assessment imposed pursuant to this section shall begin on July 1, 2005, but is not due and payable until rates are increased pursuant to this provision. The provisions of this section shall be null and void if the waiver or plan amendment to increase rates is not approved by the Centers for Medicare and Medicaid Services. If the assessment provided for in this section is disallowed by the Centers for Medicare and Medicaid Services, all collections under this section shall cease."

"Home Health Care Services Fee Increase: The Department for Medicaid Services shall increase reimbursement rates for home health care services by five percent (5%) effective July 1, 2005. The Secretary shall report to the Interim Joint Committee on Appropriations and Revenue by October 1st of each fiscal year that funds have been utilized to increase Medicaid home health care fees, and shall continue to be utilized in that manner."

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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H - Health and Family Services Cabinet**Operating Budget****Mental Health and Mental Retardation Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	900,000	900,000	900,000	900,000	900,000	900,000
General Fund	166,535,000	166,535,000	166,535,000	166,222,700	166,273,700	166,373,700
Restricted Funds	185,119,800	185,119,800	185,119,800	180,338,500	180,338,500	180,338,500
Federal Funds	42,279,500	42,279,500	42,279,500	42,802,500	42,802,500	42,802,500
Regular Total Funds	394,834,300	394,834,300	394,834,300	390,263,700	390,314,700	390,414,700
Continuing						
TOTAL FUNDS	394,834,300	394,834,300	394,834,300	390,263,700	390,314,700	390,414,700
II. EXPENDITURE CATEGORY						
Personnel Costs	135,948,100	135,948,100	135,948,100	138,141,300	138,141,300	138,141,300
Operating Expenses	23,920,100	23,920,100	23,920,100	30,261,000	30,261,000	30,261,000
Grants, Loans, Benefits	234,801,300	234,801,300	234,801,300	221,426,900	221,476,900	221,576,900
Debt Service				209,000	210,000	210,000
Capital Outlay	164,800	164,800	164,800	225,500	225,500	225,500
TOTAL EXPENDITURES	394,834,300	394,834,300	394,834,300	390,263,700	390,314,700	390,414,700
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	900,000	900,000	900,000	900,000	900,000	900,000
General Fund	166,535,000	166,535,000	166,535,000	164,122,700	164,123,700	164,123,700
Restricted Funds	185,119,800	185,119,800	185,119,800	180,338,500	180,338,500	180,338,500
Federal Funds	42,279,500	42,279,500	42,279,500	42,802,500	42,802,500	42,802,500
Regular Total Funds	394,834,300	394,834,300	394,834,300	388,163,700	388,164,700	388,164,700
Continuing						
TOTAL BASE LEVEL	394,834,300	394,834,300	394,834,300	388,163,700	388,164,700	388,164,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund				2,100,000	2,150,000	2,250,000
TOTAL ADDITIONAL				2,100,000	2,150,000	2,250,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN HB 843 Commission-Safety Net/Community Care						
ABR7290020 Provide funds to expand Safety Net/Community Care grants through HB 843 Commission initiatives.						
General Fund				2,000,000	2,000,000	2,000,000
Project Total				2,000,000	2,000,000	2,000,000

H - Health and Family Services Cabinet**Operating Budget****Mental Health and Mental Retardation Services**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
2	NEW Homelessness Prevention Pilot Program						
ABR7290021	Provide funds to support a Homelessness Prevention pilot program in Jefferson County and a rural county based on need.						
General Fund					100,000		100,000
Project Total					100,000		100,000
6	NEW Elizabethtown Communicare Board - Washington County Duplex						
ABR7290022	Provide funds to support Phase II of project.						
General Fund						150,000	150,000
Project Total						150,000	150,000
TOTAL ADDITIONAL					2,100,000	2,150,000	2,250,000

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Mental Health/Mental Retardation

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The Bill As Introduced, Part V, Fund Transfer, includes a language provision that directs: "Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from Mental Health/Mental Retardation Services totaling \$4,438,600 in fiscal year 2004-2005 (KRS 212.025(2)).

The Bill As Introduced, Part I, Operating Budget, includes language provisions that direct:

"Disproportionate Share Hospital Funds: Mental health disproportionate share funds are budgeted at the maximum amounts permitted by the Federal Balanced Budget Act of 1997, as amended by the Federal Benefits Improvements and Protection Act of 2000 and the Medicare Modernization Act of 2003, in the amount of \$34,600,000 in fiscal year 2004-2005 and \$34,600,000 in fiscal year 2005-2006."

"Kentucky Commission on Services and Supports for Individuals with Mental Illness, Alcohol and Other Drug Abuse Disorders, and Dual Diagnoses: The Department for Mental Health and Mental Retardation Services shall provide at least \$12,500 each fiscal year to be distributed to support the continued operation of the 14 regional planning councils and Commission activities relating to the mandates of KRS 210.500, 210.502, 210.504, 210.506, and 210.509, through June 30, 2006. The regional planning councils shall make recommendations for, and the Commission shall develop, a two year work plan for specifying goals and strategies relating to services and supports for individuals with mental illness, alcohol and other drug disorders, and dual diagnoses, and efforts to reduce the stigma associated with mental illness and other substance abuse disorders. The Commission shall report workgroup activities and findings to the Governor and the Interim Joint Committee on Health and Welfare by December 1 of each year."

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Mental Health/Mental Retardation

"Debt Service: Included in the above General Fund appropriation in fiscal year 2005-2006 is \$209,000 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Substance Abuse Prevention and Treatment: Included in the above General Fund (Tobacco) appropriation is \$900,000 in each fiscal year for substance abuse prevention and treatment for pregnant women with a history of substance abuse problems."

The Bill As Introduced, Part X, Phase I Tobacco Settlement, provides a language provision that directs:

"Substance Abuse Prevention and Treatment: Included in the above General Fund (Tobacco) appropriation is \$900,000 in each fiscal year for substance abuse prevention and treatment."

HOUSE REPORT

The House concurs with the Bill As Introduced with the following changes:

The House provides additional funding as reflected in Part V, Additional Budget items, of this report.

The House adds Part I, Operating Budget, language provisions as follows:

"Homelessness Prevention Pilot Project: Included in the above General Fund appropriation is \$100,000 in fiscal year 2005-2006 to establish a homelessness prevention pilot project in Jefferson County and a rural county to be selected based on a statistically demonstrated need based on population."

"Safety Net/Community Care: Included in the above General Fund appropriation is \$2,000,000 in fiscal year 2005-2006 to mend the safety net of behavioral health services, including but not limited to inpatient and outpatient services, partial hospitalization or psychosocial rehabilitation services, emergency services, crisis stabilization services, consultation and education services, and mental retardation services, which are provided by the 14 Regional Mental Health/Mental Retardation Boards. These funds shall be allocated to restore or strengthen core services to patients who have no payor source. Funds shall be distributed to the regions on a per capita basis as flexible funds."

Part II, Capital Budget

Chiller Pool, Investment Income of \$450,000 in fiscal year 2004-2005 is transferred to Bond Funds as indicated below.

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Mental Health/Mental Retardation

This project is authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$450,000. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides additional funding as reflected in Part V, Additional Budget items, of this report.

The Part I, Operating Budget, language provision relating to debt service is amended as follows:

"Debt Service: Included in the above General Fund appropriation in fiscal year 2005-2006 is \$210,000 for debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act."

The Part I, Operating Budget, language provision relating to a Homelessness Prevention Pilot Project is not provided.

The Senate adds the following Part I, Operating Budget, language provision:

"Elizabethtown Communicare Comprehensive Care Board - Washington County Duplex: Included in the above General Fund appropriation is \$150,000 in fiscal year 2005-2006 to support Phase II of the Elizabethtown Communicare Comprehensive Care Board - Washington County Duplex project."

The Part II, Capital Budget, Chiller Pool is reverted back to Investment Income in the amount of \$450,000 in fiscal year 2004-2005 within this budget unit from Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet.

Maintenance Pool, Investment Income of \$1,500,000 in fiscal year 2005-2006 is transferred as Bond Funds as indicated below.

Miscellaneous Roof Pool - Statewide, Investment Income of \$700,000 in fiscal year 2004-2005 is transferred as Bond Funds as indicated below.

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Mental Health/Mental Retardation

Maintenance Pool in fiscal year 2005-2006 and Miscellaneous Roof Pool - Statewide projects are authorized as Bond Funds in the Statewide Repair, Maintenance, and Replacement Pool Fund within the Finance and Administration Cabinet, in the amount of \$1,500,000 and \$700,000, respectively. The fiscal year 2005-2006 debt service is included in the Finance and Administration Cabinet's budget.

CONFERENCE REPORT

The Conference concurs with the Senate with the following changes:

The Conference provides additional funding as reflected in Part V, Additional Budget items, of this report.

The Conference adds a Part I, Operating Budget, language provision as follows:

"Homelessness Prevention Pilot Project: Included in the above General Fund appropriation is \$100,000 in fiscal year 2005-2006 to establish a homelessness prevention pilot project in Jefferson County and a rural county to be selected based on a statistically demonstrated need based on population."

Part II, Capital Budget

The Conference makes a technical amendment to the Miscellaneous Roof Pool - Statewide bond fund project under the Finance and Administration Cabinet in fiscal year 2004-2005 to reflect the correct amount of \$700,000.

H - Health and Family Services Cabinet**Capital Budget****Mental Health and Mental Retardation Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund						
Bond Funds	4,400,000	4,400,000	4,400,000			
Investment Income	2,000,000	1,750,000	1,750,000	1,500,000		
TOTAL CAPITAL	6,400,000	6,150,000	6,150,000	1,500,000		
II. CAPITAL PROJECTS						
2	Upgrade HVAC Pipes and Electric - Glasgow					
PRJ7291116						
Bond Funds	2,200,000	2,200,000	2,200,000			
Project Total	2,200,000	2,200,000	2,200,000			
3	Replace Roof - Oakwood ICF MR/DD					
PRJ7291120						
Bond Funds	2,200,000	2,200,000	2,200,000			
Project Total	2,200,000	2,200,000	2,200,000			
4	MH/MR Fair Oaks Lane Lease					
PRJ7291123						
General Fund						
Project Total						
5	MH/MR VA Hospital Lease					
PRJ7291124						
General Fund						
Project Total						
6	MH/MR Miscellaneous Maintenance Pool - Statewide					
PRJ7291126						
Investment Income	1,300,000	1,300,000	1,300,000	1,500,000		
Project Total	1,300,000	1,300,000	1,300,000	1,500,000		
7	MH/MR Misc Chiller Pool					
PRJ7291127						
Investment Income		450,000	450,000			
Project Total		450,000	450,000			

CONFERENCE BUDGET REPORT - 2005 REGULAR SESSION OF THE GENERAL ASSEMBLY

H - Health and Family Services Cabinet**Capital Budget****Mental Health and Mental Retardation Services**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
8	MH/MR Misc Roof Pool - Statewide						
PRJ7291128	Investment Income	700,000					
Project Total		700,000					
TOTAL CAPITAL		6,400,000	6,150,000	6,150,000	1,500,000		

H - Health and Family Services Cabinet**Operating Budget****Public Health**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	16,768,000	16,768,000	16,768,000	17,373,000	17,373,000	17,373,000
General Fund	64,649,900	64,649,900	64,649,900	66,857,900	66,857,900	66,857,900
Restricted Funds	70,183,800	70,183,800	70,183,800	71,532,200	71,532,200	71,532,200
Federal Funds	161,002,300	161,002,300	161,002,300	160,981,700	160,981,700	160,981,700
Regular Total Funds	312,604,000	312,604,000	312,604,000	316,744,800	316,744,800	316,744,800
Continuing	4,623,800	4,623,800	4,623,800			
TOTAL FUNDS	317,227,800	317,227,800	317,227,800	316,744,800	316,744,800	316,744,800
II. EXPENDITURE CATEGORY						
Personnel Costs	40,572,100	40,572,100	40,572,100	38,529,100	38,529,100	38,529,100
Operating Expenses	18,404,400	18,404,400	18,404,400	20,530,300	20,530,300	20,530,300
Grants, Loans, Benefits	257,821,300	257,821,300	257,821,300	257,340,400	257,340,400	257,340,400
Debt Service				345,000	345,000	345,000
Capital Outlay	430,000	430,000	430,000			
TOTAL EXPENDITURES	317,227,800	317,227,800	317,227,800	316,744,800	316,744,800	316,744,800
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	16,768,000	16,768,000	16,768,000	17,373,000	17,373,000	17,373,000
General Fund	64,649,900	64,649,900	64,649,900	65,667,900	65,667,900	65,667,900
Restricted Funds	70,183,800	70,183,800	70,183,800	71,532,200	71,532,200	71,532,200
Federal Funds	161,002,300	161,002,300	161,002,300	160,981,700	160,981,700	160,981,700
Regular Total Funds	312,604,000	312,604,000	312,604,000	315,554,800	315,554,800	315,554,800
Continuing	4,623,800	4,623,800	4,623,800			
TOTAL BASE LEVEL	317,227,800	317,227,800	317,227,800	315,554,800	315,554,800	315,554,800
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund				1,190,000	1,190,000	1,190,000
TOTAL ADDITIONAL				1,190,000	1,190,000	1,190,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Kentucky AIDS Drug Assistance Program						
ABR7280009 Provides funds for medication purchase.						
General Fund				90,000	90,000	90,000
Project Total				90,000	90,000	90,000

H - Health and Family Services Cabinet**Operating Budget****Public Health**

		Fiscal Year 2004-2005			Fiscal Year 2005-2006		
		House	Senate	Conference	House	Senate	Conference
2	EXPAN Diabetes Services						
ABR7280010	Provide funds for expanded services.						
General Fund					900,000	900,000	900,000
Project Total					900,000	900,000	900,000
3	NEW Diabetes Research Board						
ABR7280011	Conduct research and education.						
General Fund					200,000	200,000	200,000
Project Total					200,000	200,000	200,000
TOTAL ADDITIONAL					1,190,000	1,190,000	1,190,000

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Public Health

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The State/Executive Branch Budget Bill, Part V, Fund Transfer, includes a language provision that directs:

"Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from Public Health \$1,909,600 in fiscal year 2004-2005 and \$358,800 in fiscal year 2005-2006 (KRS 212.025(2) and 213.141(3))

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provision that direct:

"Debt Service: Included in the above General Fund appropriation is \$345,000 in fiscal year 2005-2006 for debt service for new bonds as set forth in Part II, Capital Projects Budget, of this Act."

"Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$6,939,900 in fiscal year 2004-2005 and \$7,599,900 in fiscal year 2005-2006 for the Health Access Nurturing Development Services Program; \$2,000,000 in each fiscal year for Healthy Start initiatives; \$2,000,000 in each fiscal year for Universal Children's Immunizations; \$900,000 in each fiscal year for the Folic Acid Program; \$875,000 in each fiscal year for Early Childhood Mental Health; \$337,500 in fiscal year 2004-2005 and \$287,500 in fiscal year 2005-2006 for Early Childhood Oral Health; \$2,715,600 in fiscal year 2004-2005 and \$2,710,600 in fiscal year 2005-2006 for the Smoking Cessation Program; and \$1,000,000 in each fiscal year for the Kentucky Early Intervention Services First Steps Program."

The State/ Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes language provisions that direct:

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Public Health

"HANDS Program, Healthy Start, Universal Children's Immunizations, Folic Acid Program, Early Childhood Mental Health, and Early Childhood Oral Health: Included in the above General Fund (Tobacco) appropriation is \$6,939,900 in fiscal year 2004-2005 and \$7,599,900 in fiscal year 2005-2006 for the Health Access Nurturing Development Services (HANDS) Program; \$2,000,000 in each fiscal year for Healthy Start initiatives; \$2,000,000 in each fiscal year for Universal Children's Immunizations; \$900,000 in each fiscal year for the Folic Acid Program; \$875,000 in each fiscal year for Early Childhood Mental Health; \$337,500 in fiscal year 2004-2005 and \$287,500 in fiscal year 2005-2006 for Early Childhood Oral Health; and \$1,000,000 in each fiscal year for the Kentucky Early Intervention Services First Steps Program. Also included in the above is \$660,000 in fiscal year 2004-2005 for the purchase of two Tandem Mass Spectrometers to increase newborn screenings for metabolic conditions."

"Notwithstanding KRS 304.17B-003(5), appropriations for health care improvement shall be as follows:"

"Smoking Cessation Program: Included in the above General Fund (Tobacco) appropriation is \$2,715,600 in fiscal year 2004-2005 and \$2,710,600 in fiscal year 2005-2006 for the Smoking Cessation Program"

The State/Executive Branch Budget Bill includes \$2,106,000 in Restricted Funds in fiscal year 2005-2006 to be produced by an increase in the newborn metabolic screening test fee from \$14.50 to \$53.00.

HOUSE REPORT

The House concurs with the Bill as Introduced with the following changes:

The House provides additional funding as reflected in Part V, Additional Funding items, of this report.

The House adds, Part I, Operating Budget, language provisions that direct:

"Local/District Health Department Payments: The Department for Public Health shall not impose a cap or other restriction on the number of or amount of services that a Local or District Health Department may provide. The Department for Public Health shall submit all requests for payment for services provided to the Department for Medicaid Services that are submitted by a Local or District Health Department."

"Kentucky AIDS Drug Assistance Program: Included in the above General Fund appropriation is \$180,000 in fiscal year 2005-2006 for funding the Kentucky AIDS Drug Assistance Program (KADAP)."

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Public Health

"Diabetes Services: Included in the above General Fund appropriation is \$1,400,000 for continuation of base services through Local or District Health Departments in fiscal year 2004-2005 and \$1,400,000 for continuation of base services and an additional \$900,000 for expanded services through Local or District Health Departments in fiscal year 2005-2006."

"Diabetes Research Board: Included in the above General Fund appropriation is \$200,000 in fiscal year 2005-2006, which shall be allocated to the Diabetes Research Board."

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

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H - Health and Family Services Cabinet**Capital Budget****Public Health**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. CAPITAL PROJECT RECAP BY FUND SOURCE						
General Fund (Tobacco)	660,000	660,000	660,000			
Bond Funds	5,000,000	5,000,000	5,000,000			
Investment Income	350,000	350,000	350,000			
TOTAL CAPITAL	6,010,000	6,010,000	6,010,000			
II. CAPITAL PROJECTS						
1	DPH Lab Equipment Purchase - Tandem Mass Sp					
PRJ7281123						
General Fund (Tobacco)	330,000	330,000	330,000			
Project Total	330,000	330,000	330,000			
2	Replace Laboratory Equipment - DPH					
PRJ7281124						
Investment Income	350,000	350,000	350,000			
Project Total	350,000	350,000	350,000			
3	Purchase Lab Equipment - Tandem Mass Sp. - Newborn Screening #2					
PRJ7281128						
General Fund (Tobacco)	330,000	330,000	330,000			
Project Total	330,000	330,000	330,000			
4	Upgrade KASPER System DPH					
PRJ7281130						
Bond Funds	5,000,000	5,000,000	5,000,000			
Project Total	5,000,000	5,000,000	5,000,000			
TOTAL CAPITAL	6,010,000	6,010,000	6,010,000			

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H - Health and Family Services Cabinet**Operating Budget****Certificate of Need**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	117,700	117,700	117,700	117,700	117,700	117,700
Restricted Funds	162,900	162,900	162,900	206,200	206,200	206,200
Regular Total Funds	280,600	280,600	280,600	323,900	323,900	323,900
Continuing						
TOTAL FUNDS	280,600	280,600	280,600	323,900	323,900	323,900
II. EXPENDITURE CATEGORY						
Personnel Costs	267,100	267,100	267,100	310,400	310,400	310,400
Operating Expenses	13,500	13,500	13,500	13,500	13,500	13,500
TOTAL EXPENDITURES	280,600	280,600	280,600	323,900	323,900	323,900
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	117,700	117,700	117,700	117,700	117,700	117,700
Restricted Funds	162,900	162,900	162,900	206,200	206,200	206,200
Regular Total Funds	280,600	280,600	280,600	323,900	323,900	323,900
Continuing						
TOTAL BASE LEVEL	280,600	280,600	280,600	323,900	323,900	323,900

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Budget Modification Report**

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Certificate of Need

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The Bill As Introduced, Part V, Fund Transfer, includes a language provision that directs: "Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from Certificate of Need totaling \$4,100 in fiscal year 2004-2005 (KRS 212.025(2)).

HOUSE REPORT

The House concurs with the Bill As Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

H - Health and Family Services Cabinet**Operating Budget****Human Support Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	26,621,600	26,621,600	26,621,600	30,569,900	30,469,900	30,469,900
Restricted Funds	691,400	691,400	691,400	645,900	645,900	645,900
Federal Funds	23,833,100	23,833,100	23,833,100	24,448,900	24,448,900	24,448,900
Regular Total Funds	51,146,100	51,146,100	51,146,100	55,664,700	55,564,700	55,564,700
Continuing						
TOTAL FUNDS	51,146,100	51,146,100	51,146,100	55,664,700	55,564,700	55,564,700
II. EXPENDITURE CATEGORY						
Personnel Costs	2,556,700	2,556,700	2,556,700	2,565,200	2,565,200	2,565,200
Operating Expenses	493,800	493,800	493,800	485,300	485,300	485,300
Grants, Loans, Benefits	48,095,600	48,095,600	48,095,600	52,614,200	52,514,200	52,514,200
TOTAL EXPENDITURES	51,146,100	51,146,100	51,146,100	55,664,700	55,564,700	55,564,700
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	26,621,600	26,621,600	26,621,600	29,469,900	29,469,900	29,469,900
Restricted Funds	691,400	691,400	691,400	645,900	645,900	645,900
Federal Funds	23,833,100	23,833,100	23,833,100	24,448,900	24,448,900	24,448,900
Regular Total Funds	51,146,100	51,146,100	51,146,100	54,564,700	54,564,700	54,564,700
Continuing						
TOTAL BASE LEVEL	51,146,100	51,146,100	51,146,100	54,564,700	54,564,700	54,564,700
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund				1,100,000	1,000,000	1,000,000
TOTAL ADDITIONAL				1,100,000	1,000,000	1,000,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Older Americans Act Services						
ABR7690006 Provide funds to support Older Americans Act services (i.e. homemaker, transportation, meals, etc.)						
General Fund				500,000	500,000	500,000
Project Total				500,000	500,000	500,000
2 EXPAN Personal Care Attendants						
ABR7690007 Provide funds to support 40 additional Personal Care Attendants						
General Fund				400,000	400,000	400,000
Project Total				400,000	400,000	400,000

H - Health and Family Services Cabinet**Operating Budget****Human Support Services**

			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
			House	Senate	Conference	House	Senate	Conference
3	NEW	Pulaski County Alzheimers Disease Respite Center						
ABR7690008	Provide funds to support operating costs.							
	General Fund					100,000	100,000	100,000
Project Total						100,000	100,000	100,000
4	NEW	Bluegrass Domestic Violence Program						
ABR7690009	Provide funds to purchase vans and security equipment and operating costs.							
	General Fund					100,000		
Project Total						100,000		
TOTAL ADDITIONAL						1,100,000	1,000,000	1,000,000

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Human Support Services

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The Bill As Introduced, Part I, Operating Budget, in accordance with Executive Order 2004-726, combines into Human Support Services the former Division of Aging Services, Division of Child Abuse and Domestic Violence Services, Division of Women's Physical and Mental Health, Division of Family Resource and Youth Service Centers and Kentucky Commission on Community Volunteerism and Service.

The Bill As Introduced, Part V, Fund Transfer, includes a language provision that directs: "Notwithstanding the statutes or requirements of the Restricted Funds enumerated below, there is transferred to the General Fund the following amounts in fiscal year 2004-2005, and fiscal year 2005-2006."

Part V Funds Transfer, includes a transfer from Human Support Services totaling \$19,000 in fiscal year 2004-2005 (KRS 212.025(2)).

The Bill As Introduced, Part I, Operating Budget, includes a language provision that directs:

"Local Match Requirements: Notwithstanding KRS 205.460, entities contracting with the Health and Family Services Cabinet to provide essential services under KRS 205.455 and 205.460 shall provide local match equal to or greater than the amount in effect during fiscal year 2001-2002. Local match may include any combination of materials, commodities, transportation, office space, personal services, or other types of facility services or funds. The Secretary of the Health and Family Services Cabinet shall prescribe the procedures to certify the local match assurance."

HOUSE REPORT

The House concurs with the Bill As Introduced with the following changes:

The House provides additional funding as reflected in Part V, Additional Budget items, of this report.

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Human Support Services

The House adds the following Part I, Operating Budget, language provision that directs:

"Bluegrass Domestic Violence Program: Included in the above appropriation is \$100,000 in General Fund support in fiscal year 2005-2006 to purchase vans and security equipment and for operating costs."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides additional funding as reflected in Part V, Additional Budget items, of this report.

The Senate transfers the funding and language for the Bluegrass Domestic Violence Program to Community Based Services.

CONFERENCE REPORT

The Conference concurs with the Senate.

H - Health and Family Services Cabinet

Operating Budget

Ombudsman

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund	3,767,200	3,767,200	3,767,200	3,767,200	3,767,200	3,767,200
Restricted Funds	400,000	400,000	400,000	400,000	400,000	400,000
Federal Funds	2,612,200	2,612,200	2,612,200	2,612,200	2,612,200	2,612,200
Regular Total Funds	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400
Continuing						
TOTAL FUNDS	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400
II. EXPENDITURE CATEGORY						
Personnel Costs	6,005,700	6,005,700	6,005,700	6,016,600	6,016,600	6,016,600
Operating Expenses	773,700	773,700	773,700	762,800	762,800	762,800
TOTAL EXPENDITURES	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund	3,767,200	3,767,200	3,767,200	3,767,200	3,767,200	3,767,200
Restricted Funds	400,000	400,000	400,000	400,000	400,000	400,000
Federal Funds	2,612,200	2,612,200	2,612,200	2,612,200	2,612,200	2,612,200
Regular Total Funds	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400
Continuing						
TOTAL BASE LEVEL	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400	6,779,400

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Ombudsman

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

H - Health and Family Services Cabinet**Operating Budget****Disability Determination Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
Restricted Funds	65,800	65,800	65,800	65,800	65,800	65,800
Federal Funds	43,643,800	43,643,800	43,643,800	44,692,200	44,692,200	44,692,200
Regular Total Funds	43,709,600	43,709,600	43,709,600	44,758,000	44,758,000	44,758,000
Continuing						
TOTAL FUNDS	43,709,600	43,709,600	43,709,600	44,758,000	44,758,000	44,758,000
II. EXPENDITURE CATEGORY						
Personnel Costs	25,633,600	25,633,600	25,633,600	26,685,100	26,685,100	26,685,100
Operating Expenses	3,643,200	3,643,200	3,643,200	3,512,100	3,512,100	3,512,100
Grants, Loans, Benefits	14,432,800	14,432,800	14,432,800	14,560,800	14,560,800	14,560,800
TOTAL EXPENDITURES	43,709,600	43,709,600	43,709,600	44,758,000	44,758,000	44,758,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
Restricted Funds	65,800	65,800	65,800	65,800	65,800	65,800
Federal Funds	43,643,800	43,643,800	43,643,800	44,692,200	44,692,200	44,692,200
Regular Total Funds	43,709,600	43,709,600	43,709,600	44,758,000	44,758,000	44,758,000
Continuing						
TOTAL BASE LEVEL	43,709,600	43,709,600	43,709,600	44,758,000	44,758,000	44,758,000

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Disability Determinations

BILL AS INTRODUCED

The State/Executive Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

HOUSE REPORT

The House concurs with the Bill as Introduced.

SENATE REPORT

The Senate concurs with the House.

CONFERENCE REPORT

The Conference concurs with the House and Senate.

H - Health and Family Services Cabinet**Operating Budget****Community Based Services**

	Fiscal Year 2004-2005			Fiscal Year 2005-2006		
	House	Senate	Conference	House	Senate	Conference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE						
General Fund (Tobacco)	8,300,400	8,300,400	8,300,400	8,300,400	8,300,400	8,300,400
General Fund	275,476,700	275,476,700	275,476,700	300,136,700	300,236,700	300,236,700
Restricted Funds	135,169,500	135,169,500	135,169,500	118,779,800	118,779,800	118,779,800
Federal Funds	476,266,700	476,266,700	476,266,700	485,621,100	485,621,100	485,621,100
Regular Total Funds	895,213,300	895,213,300	895,213,300	912,838,000	912,938,000	912,938,000
Continuing	153,800	153,800	153,800			
TOTAL FUNDS	895,367,100	895,367,100	895,367,100	912,838,000	912,938,000	912,938,000
II. EXPENDITURE CATEGORY						
Personnel Costs	236,038,300	236,038,300	236,038,300	236,569,400	236,569,400	236,569,400
Operating Expenses	39,563,700	39,563,700	39,563,700	39,146,200	39,146,200	39,146,200
Grants, Loans, Benefits	619,765,100	619,765,100	619,765,100	637,122,400	637,222,400	637,222,400
TOTAL EXPENDITURES	895,367,100	895,367,100	895,367,100	912,838,000	912,938,000	912,938,000
III. BASE LEVEL BUDGET BY FUND SOURCE						
General Fund (Tobacco)	8,300,400	8,300,400	8,300,400	8,300,400	8,300,400	8,300,400
General Fund	275,476,700	275,476,700	275,476,700	297,026,700	297,026,700	297,026,700
Restricted Funds	135,169,500	135,169,500	135,169,500	118,329,800	118,329,800	118,329,800
Federal Funds	476,266,700	476,266,700	476,266,700	485,621,100	485,621,100	485,621,100
Regular Total Funds	895,213,300	895,213,300	895,213,300	909,278,000	909,278,000	909,278,000
Continuing	153,800	153,800	153,800			
TOTAL BASE LEVEL	895,367,100	895,367,100	895,367,100	909,278,000	909,278,000	909,278,000
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE						
General Fund				3,110,000	3,210,000	3,210,000
Restricted Funds				450,000	450,000	450,000
TOTAL ADDITIONAL				3,560,000	3,660,000	3,660,000
V. ADDITIONAL BUDGET ITEMS						
1 EXPAN Personal Care Home State Supplementation Payments Increase						
ABR7360017 Provide funds to support a \$20 per month per resident personal allowance needs increase, and a \$2 per day per resident facility payment increase.						
General Fund				2,910,000	2,910,000	2,910,000
Restricted Funds				450,000	450,000	450,000
Project Total				3,360,000	3,360,000	3,360,000

H - Health and Family Services Cabinet**Operating Budget****Community Based Services**

			Fiscal Year 2004-2005			Fiscal Year 2005-2006		
			House	Senate	Conference	House	Senate	Conference
2	NEW	Kentucky Baptist Childrens Home Youth Ranch						
ABR7360018		Provide funds to support Alternatives for Children educational classrooms.						
	General Fund					200,000	200,000	200,000
Project Total						200,000	200,000	200,000
8	NEW	Bluegrass Domestic Violence Program						
ABR7360019		Provide funds to purchase vans and security equipment and for operating costs.						
	General Fund						100,000	100,000
Project Total							100,000	100,000
TOTAL ADDITIONAL						3,560,000	3,660,000	3,660,000

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Community Based Services

BILL AS INTRODUCED

The State/Executive Branch Budget Bill, Part III, General Provisions, includes language to appropriate funds for expenditures in fiscal year 2004-2005 that have been approved or paid in accordance with Executive Order 2004-650, Executive Order 2004-1092, and Executive Order 2004-1373.

State salary/compensation and employment policy including increments, retirement, health insurance, and personnel complement are addressed in the State/Executive Branch Budget Bill, Part IV, State Salary Compensation and Employment Policy.

The Bill As Introduced, Part I, Operating Budget, provides additional base funding support totaling \$20,309,700 in General Fund, \$11,245,700 in Restricted Funds and \$13,770,300 in Federal Funds in fiscal year 2005-2006 to sustain the increased number of court-committed children in the care of the Cabinet.

The Bill As Introduced, Part I, Operating Budget, includes language provisions that direct:

"Tobacco Settlement Funds: Included in the above General Fund (Tobacco) appropriation is \$8,120,400 in each fiscal year for the Early Childhood Development Program, and \$180,000 in each fiscal year for Child Advocacy Centers."

"Out-of-Home Care: Included in the above General Fund appropriation is \$20,309,700 in fiscal year 2005-2006 which is necessary to support and sustain the increased number of court-committed children in the care of the Cabinet."

The Bill As Introduced, Part X, Phase I Tobacco Settlement, provides a language provision that directs:

"Early Childhood Development Program and Child Advocacy Centers: Included in the above General Fund (Tobacco) appropriation is \$8,120,400 in each fiscal year for the Early Childhood Development Program, and \$180,000 in each fiscal year for Child Advocacy Centers."

HOUSE REPORT

The House concurs with the Bill As Introduced with the following changes:

The House provides additional funding as reflected in Part V, Additional Budget items, of this report.

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Community Based Services

The House establishes a \$15 fee per criminal background investigation to partially fund the Personal Care Home State Supplementation payment increase.

The House adds the following Part I, Operating Budget, language provisions:

"Criminal Background Investigation Fee Establishment: The Secretary shall be authorized to promulgate such administrative regulations as may be required to prescribe criminal background investigation fee amounts which are reflected in the Restricted Funds appropriation above."

"Personal Care Home State Supplementation Payment Increase: Included in the above appropriation is \$2,910,000 in General Fund support and \$450,000 in Restricted Funds in fiscal year 2005-2006 to increase State Supplementation payments to Personal Care Homes by \$20 per month per eligible resident for the personal needs allowance and \$2 per day per eligible resident for a facility payment increase."

"Kentucky Baptist Children's Home Youth Ranch: Included in the above appropriation is \$200,000 in General Fund support in fiscal year 2005-2006 for Alternatives for Children educational classrooms at the Kentucky Baptist Children's Home Youth Ranch."

SENATE REPORT

The Senate concurs with the House with the following changes:

The Senate provides additional funding as reflected in Part V, Additional Budget items, of this report.

The Senate adds the following Part I, Operating Budget, language provision that directs:

"Bluegrass Domestic Violence Program: Included in the above appropriation is \$100,000 in General Fund support in fiscal year 2005-2006 to purchase vans and security equipment and for operating costs."

CONFERENCE REPORT

The Conference concurs with the Senate.